

Message Text

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43
ORIGIN EB-07

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

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DRAFTED BY EB/AN:AJRIMAS:BA

APPROVED BY EB/OA:MHSTYLES

EB/AN:JBMAGNOR

CAB:CCOLDREN

ARA/ECP:DTAHER

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FM SECSTATE WASHDC

TO AMEMBASSY LIMA

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E.O. 11652: N/A

TAGS: EAIR, PE

SUBJECT: CIVAIR: ALLEGED REBATING IN U.S. BY AEROPERU

REF: SMITH/STYLES TELECON SEPTEMBER 13, 1976

1. CAB'S BUREAU OF ENFORCEMENT IN SUMMER OF 1976 CONDUCTED AN INVESTIGATION OF AEROPERU'S TICKETING PRACTICES IN LOS ANGELES. INVESTIGATION DISCLOSED THAT AIRLINE GRANTED ILLEGAL REBATES ON AT LEAST 1200 TICKETS SOLD IN U.S. ON AUGUST 19, BUREAU OF ENFORCEMENT ADVISED AEROPERU OF ITS FINDINGS; INFORMED THE AIRLINE THAT THE MAXIMUM PENALTY, IF ASSESSED BY COURT IN THIS CASE, WOULD BE UP TO 1.2 MILLION DOLS; AND REQUESTED A RESPONSE FROM AEROPERU TO THE CHARGES. ON SEPTEMBER 17, AEROPERU REPLIED, ADMITTING CERTAIN OF THE PRACTICES. DEPENDING ON FURTHER DISCUSSIONS BETWEEN THE CAB AND AEROPERU, A

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SETTLEMENT MAY BE POSSIBLE WITHOUT LITIGATION. IF NO

COMPROMISE IS REACHED, CAB MAY REFER THE CASE TO THE APPROPRIATE U.S. ATTORNEY FOR INSTITUTION OF CIVIL COURT ACTION. ATTORNEY COULD REQUEST COURT TO ASSESS THE 1.2 MILLION DOLS PENALTY. THE CAB ITSELF HAS NO AUTHORITY TO LEVY FINES. AT ANY TIME, CAB MAY ALSO REQUEST A COURT INJUNCTION TO STOP AEROPERU FROM OFFERING FURTHER REBATES.

2. IN DISCUSSING THIS ISSUE WITH PERUVIANS, EMBASSY SHOULD POINT OUT THAT REBATING IS ILLEGAL IN U.S.; THAT IN ITS ACTIONS RE AEROPERU, CAB IS FULFILLING ITS OBLIGATIONS TO ENFORCE U.S. LAWS, AS IT HAS DONE IN NON-DISCRIMINATORY FASHION WITH OTHER AIRLINES. CAB ACTION HAS NO CONNECTION WITH ANY OTHER ISSUE AND IS NOT PART OF ANY CAMPAIGN AGAINST PERU. EMBASSY MAY MENTION THAT OTHER RECENT INVESTIGATIONS AND ACTIONS CONCERNING FARE REBATES INVOLVED AEROFLOT AS WELL AS A NUMBER OF U.S. AND WESTERN EUROPEAN AIRLINES.

KISSINGER

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Message Attributes

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